



NOTICE TO EMPLOYEES

Your employer is required to send a copy of your withholding allowance certificate (W-4) to the Internal Revenue Service (IRS) if it meets any of the following conditions:

1. You claim in excess of ten withholding allowances.
2. You claim to be exempt from State or Federal Income Tax Withholding and your employer expects you will earn more than \$200 per week.
3. You make major changes to the certificate, such as crossing out words or writing more than is asked for.
4. You admit your certificate is false.

The IRS will determine what you should be claiming and notify you and your employer.

If the IRS instructs your employer to take out taxes based on what the IRS believes you should be claiming (e.g., single with one allowance), your employer is also required to use the same status for your State withholding. If you believe your State withholding should be different, you may ask the Franchise Tax Board (FTB) to review its decision. Write a letter to the FTB, explaining your position. You must have proof that your statement is correct. Send your letter to:

Franchise Tax Board
Sacramento, CA 95867

The FTB will notify both you and your employer of its findings. Your employer must then withhold State Income Tax as instructed by the FTB.

If you have a W-4 and DE 4 (State Withholding Certificate) on file, and the W-4 does not meet the conditions listed above, but the DE 4 does, your employer must send the DE 4 to the Employment Development Department (EDD). EDD will send a copy to FTB who will then get in touch with you and your employer.

If either the FTB or the IRS finds that the number of withholding allowances you claimed is unreasonable, you may be charged a \$500 penalty as provided by Section 13101 of the California Unemployment Insurance Code.